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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001072

SIPDIS

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TAGS: PGOV PREL TW CH

SUBJECT: TAIPEI COURT CONVICTS FORMER FIRST FAMILY MEMBERS  
OF PERJURY

Classified By: The Deputy Director for reasons 1.4 (b/d)

11. (C) Summary. A Taipei court on September 1 convicted four members of former President Chen Shui-bian's family of perjury and sentenced them to jail terms of six months to one year. No jail time is imminent because of the possibility of appeal and converting the sentences to community service. The convictions are seen as a prelude to a much bigger event: The verdicts in Chen's corruption case are scheduled to be announced on September 11 and he is widely expected to be found guilty. End Summary

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Guilty in Round One  
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12. (U) The Taipei District Court convicted Chen's wife, Wu Shu-jen, of instigating perjury and sentenced her to one year in jail. Son Chen Chih-chung, daughter Chen Hsing-yu and son-in-law Chao Chien-ming were convicted of perjury and received six-month jail terms. The perjury occurred in 2005 when family members testified about a public fund, established for the president's official use, from which Chen Shui-bian and his wife were accused of embezzling. Wu admitted she instructed the children to give false testimony, and they acknowledged lying about collecting invoices and receipts to claim roughly \$31,000 in reimbursements. The Taipei District Court also convicted the former chairwoman of the Taipei 101 building, Diana Chen (no relation to the Chen family), of perjury and sentenced her to 18 months in prison. She was convicted of giving false testimony when questioned in 2008 about the former first family's money-laundering activities.

13. (C) Chen Shui-bian's family members received shorter prison sentences because they admitted guilt and qualified to have their sentences halved based on the nature and timing of their crimes. The travel ban on Chen Hsing-yu remains in place, still preventing her from pursuing plans to study in the United States. (Note: Ms. Chen had been accepted to a New York University dental program.)

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Next Step: Serve or Appeal  
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14. (U) Wu Shu-jen's lawyer said she was dissatisfied with the verdicts and would appeal in hopes of getting her

children's sentences suspended. Under Taiwan's Prison Law, Wu will not serve jail time because of her poor health, and the other family members will not serve until the appeals process is exhausted. Even if they choose to accept their sentences, regulations allow certain prison terms to be converted to community service. Chen Chih-cheng said he would have no comment until he studied the verdict. Chen Hsing-yu gave no immediate statement.

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Reactions  
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15. (C) Reactions to the verdicts split along party lines. Legislators from the ruling Kuomintang argued the sentences were too light, whereas opposition legislators from Chen's Democratic Progressive Party (DPP) maintained the opposite. DPP International Affairs Director Bikhim Hsiao told PolOff the verdict was "inhumane" and said the case was "blown out of proportion." She questioned the need to ask children to testify against parents.

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Looking Ahead: Verdicts For Wu, Chen Shui-bian  
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16. (C) Attention on the perjury verdicts will be short lived as the Taipei District Court is scheduled to announce its verdict on the corruption cases against the former president and his wife on September 11. The former first couple is widely expected to be found guilty on all corruption charges,

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which include money laundering, embezzlement, extortion and bribery. Reactions to that verdict also are likely to fall along partisan lines. Nonetheless, political commentators believe a guilty verdict will provide some respite to President Ma Ying-jeou, whose administration has been lambasted in recent weeks for mishandling Typhoon Morakot disaster relief.

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